

Certified translation from German to English

From: **Harald Wayer** harald@wayer-unternehmensberatung.de
Subject: Fwd: Partnership with the Epoch Times Media Group key points March 2017
Date: 2 October 2018 at 08:59
To: dsw@germantom.com, hmw@germantom.com

For your information

Wayer & Kollegen Unternehmensberatung
Zeppelinstrasse 10, 76530 Baden-Baden
Tel.: +49 (0)7221 3989340, fax: +49 (0)7221 3989349
Email: harald@wayer-unternehmensberatung.de

Sent from my iPad

Start of forwarded message:

From: Harald Wayer harald@wayer-unternehmensberatung.de
Date: 29 September 2018 at 23:54:45 CEST
To: hmw@germantom.com
Subject: Fwd: Partnership with the Epoch Times Media Group key points March 2017

Wayer & Kollegen Unternehmensberatung
Zeppelinstrasse 10, 76530 Baden-Baden
Tel.: +49 (0)7221 3989340, fax: +49 (0)7221 3989349
Email: harald@wayer-unternehmensberatung.de

Sent from my iPad

Start of forwarded message:

From: Harald Wayer harald@wayer-unternehmensberatung.de
Date: 30 March 2017 at 23:37:18 CEST
To: Manyan <manyang@epochtimes.de>
Subject: Partnership with the Epoch Times Media Group

Hi Manyan,

As discussed, please find below a rough outline of the key points underpinning a cooperation agreement.

1. Our company is building an online shop with an international focus, represented in all the relevant countries in English, Chinese and German. We will not supply all listed products in all countries; only those that are relevant for each respective country. Our focus will be on "Made in Germany", ideally offering very good quality brands. Products will be: air-cleaning appliances, e-bikes, German and European technology, household goods, cosmetics, drugstore items and pharmaceutical products, etc. Ideally, these will all be internationally marketable from Germany and Europe. Of course, we will not, to the best of our knowledge, supply any ethically and morally questionable products. We will put together accounting and product procurement teams, etc. and bear all the costs relating to this,

barring advertising costs. I am working on the basis that we will have upfront costs of up to EUR 500,000 or so, before we begin running profitably. All these costs will be borne by our company.

2. We will pass on a 33 per cent share of all future profit before tax to the Epoch Media Group, and will pass on full accounting details to the Epoch Times in order to ensure that the accounting is accurate.

A partnership agreement to this end should initially be agreed for a period of three years.

3. The Epoch Times Media Group will publish adverts for our shop on a daily basis on all the relevant main pages, and on all media associated with the Group and its subsidiaries. It will also promote reports on specific individual products in order to give the shop the highest possible profile. The aim is to publicize high-quality products marketed through the shop to as wide an audience as possible.

Non-binding calculation:

Assuming that the Epoch Times draws the attention of 120 million people globally per month to the shop, and only five per cent click on our shop page, that would result in six million visitors to the shop homepage per month. If just two per cent of these six million visitors place orders, that would be 120,000 orders per month. If the orders have an average value of EUR 50.00, the monthly turnover would reach six million euro. With a 20 per cent margin, the gross profit would be EUR 1.2 million per month i.e. EUR 14.4 million per year. This would deliver a feasible annual profit of EUR 13 million, minus company costs. As per this example, a 33 per cent share of the profit would give the Epoch Times an annual profit of approximately EUR 4.3 million.

Kindly note that this calculation is merely a rough estimate to demonstrate the project's potential. Half of this return could still be considered a significant result.

However, this outcome is only possible if the Epoch Times is able to deliver the best possible advertising and press reports for our products, and if our company succeeds in procuring very good products and suppliers, and that we manage both this aspect and the online shop well.

Please coordinate with New York as to whether we would be able to draw up an initial three-year contract; I will handle the necessary capital for the shop and staff costs. For your own calculations, please note that I have only worked on the basis of EUR 50.00 per customer and a 20 per cent margin.

The real margin could well be 25 per cent, and I believe that the average order value will be more than EUR 50.00 net.

But regardless, if we do a good job, we can only expect great success!

Kind regards

Harald

Wayer & Kollegen Unternehmensberatung

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Fax.: +49 (0)7221 3989349

Email: harald@wayer-unternehmensberatung.de

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End of translation

As a sworn translator for the English language appointed by the president of the Dresden Higher Regional Court I certify: The above translation of the document submitted as a PDF file and written in German is right and complete.

Großschirma, 25 October 2019

